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The Payment Promise: Modernizing Insurance Payments for the People Who Need Them Most

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Executive Summary

Insurance exists to fulfill a promise—paying claims when they're needed most. Yet research reveals a troubling disconnect: J.D. Power found that customers who said their claims process "took as long as expected" reported an average resolution time of just 11 days—yet the average claimant doesn't receive final payment until 44 days after first notice of loss, a gap of four times customer expectations.[1] This gap represents more than an operational inefficiency; it represents a fundamental failure to deliver on the industry's core value proposition during customers' most vulnerable moments.

The consequences are measurable and significant. J.D. Power research shows that 80% of auto insurance customers who experience poor claims service have either left their carrier or plan to do so. Accenture estimates that poor claims experiences could put up to US$170 billion in global insurance premiums at risk over the next five years.

This report examines why payment modernization has shifted from a competitive advantage to an operational imperative. It explores the human urgency behind payment speed, the hidden enterprise costs of fragmented payment processes, and the change management challenges that often prove more formidable than the technology itself. For carriers, the path forward requires understanding that payment modernization isn't merely a technology initiative—it's a community resilience strategy.

1 "Customer Satisfaction With Homeowners Insurance Property Claims Declines to Seven-Year Low Amid Record Catastrophic Events and Slower-Than-Ever Repair Times, JD Power Finds," JD Power, March 19, 2024, accessed May 4, 2026, https://www.jdpower.com/business/press-releases/2024-us-property-claims-satisfaction-study.

The Human Imperative: Why Payment Speed Matters

For policyholders facing financial disruption, payment speed determines how long vulnerability lasts. These delays matter—to households, to customer retention, and to the communities carriers serve.

The Financial Reality of American Households

The urgency behind claims payment modernization begins with a simple demographic reality: the majority of American households lack the financial cushion to absorb delays. According to PNC Bank's 2025 Financial Wellness Report, 67% of workers say they are living paycheck to paycheck, up from 63% in 2024.[2]

Workers' compensation claimants face income disruption even during the waiting period before their first indemnity benefit is paid. Property loss victims often continue paying mortgages on homes they cannot occupy while simultaneously covering hotel costs. Auto accident victims may lose access to transportation essential for employment. In each case, the gap between carrier processing timelines and claimant financial reality creates genuine hardship.

As real-time payment capabilities mature, customer expectations increasingly center on consistency rather than novelty. The strategic risk for carriers is no longer whether they can issue a fast payment in isolated cases, but whether payment experiences vary unpredictably across lines of business, claim types, or adjusters. Inconsistent delivery undermines perceptions of fairness and reliability, even when average cycle times improve.

Claims as the Moment of Truth

Insurance carriers exist for one fundamental reason: to pay claims when they happen. This sounds obvious, yet the data suggests some carriers are failing this basic test. J.D. Power's 2024 U.S. Auto Claims Satisfaction Study found that 80% of customers who experienced

[2] "2025 Financial Wellness in the Workplace Report," PNC Bank, accessed May 4, 2026, https://www.pnc.com/content/dam/pnc-com/pdf/corporateandinstitutional/organizational-financial-wellness/organizational-financial-wellness-workplace-report.pdf.

poor claims handling have either already switched carriers or plan to do so.[3] The study characterized the claims process as "the moment of truth for auto insurance customers."

The 2025 J.D. Power U.S. Property Claims Satisfaction Study reinforced this finding with stark numbers: the average claim cycle time—from filing to finished repairs—reached 32.4 days, the longest since the study began in 2008. More critically, the average claimant does not receive final payment until 44 days after the first notice of loss.

The correlation between speed and satisfaction is direct and measurable. J.D. Power found that average satisfaction scores for claims completed within 10 days reached 762 on a 1,000-point scale. When repairs lasted beyond 31 days, satisfaction fell 167 points to 595 points—a 22% decline that directly translates into retention risk and competitive disadvantage.

Evolving Customer Expectations

Customer expectations have shifted dramatically, shaped by experiences in other industries where instant transactions are the norm. J.D. Power's 2024 Property Claims Study found that customers who felt their claims took "as long as expected" reported an average timeline of just 11 days—yet the industry average is four times that at 44 days. This expectation gap reflects broader changes in consumer experience. Customers accustomed to same-day delivery, instant money transfers, and real-time service updates increasingly view multiweek claim cycles as antiquated.

Bain & Company's 2023 Global Insurance Survey noted that the traditional premise of insurance—providing capital to cover risk and reimburse claims—no longer fully satisfies. Customers increasingly look for insurers to help reduce and prevent the risks that pervade their lives. When carriers fail to meet basic payment timeliness expectations, they undermine the foundation for deeper customer relationships.

Community Impact: The Mutual Insurance Dimension

For mutual insurers, payment velocity carries additional weight. National Association of Mutual Insurance Companies (NAMIC) member companies write US$391 billion in annual premiums and represent 68% of the U.S. homeowners market, 56% of automobile

[3] "Auto Insurance Repair Cycle Times Improve but Price Increases Take a Toll, JD Power Finds," JD Power, October 29, 2024, accessed May 4, 2026, https://www.jdpower.com/business/press-releases/2024-us-auto-claims-satisfaction-study.

insurance, and 31% of business insurance.[4] Unlike stock companies owned by shareholders, mutual companies are owned by their policyholders, creating inherent alignment with community welfare.

Research from the University of Wisconsin Center for Cooperatives quantifies the broader economic impact: mutual insurers account for more than US$227 billion in revenue, support over 500,000 jobs, generate US$27 billion in wages, and create more than US$48 billion in value-added income when including direct and indirect impacts.[5]

When a hailstorm damages hundreds of homes in a rural community, payment velocity affects far more than the policyholders awaiting repair funds. It affects local agents whose commission income depends on active policies and timely service. It affects contractors and suppliers who won't order materials until payment is assured. It affects restaurants and retailers that depend on discretionary spending, which won't occur while families are financially stressed. For mutuals especially, modernizing the payment experience isn't just an operational initiative—it's a community resilience strategy.

4 Lars Powell, "Small Mutual Insurance Companies: Challenges, Solutions, and Opportunities," NAMIC, November 2024, accessed May 4, 2026, https://www.namic.org/wp-content/uploads/2024/11/TL_SmallMutualInsuranceCompanies_v6.pdf.

5 "Research on the Economic Impact of Cooperatives," University of Wisconsin Center for Cooperatives, accessed May 4, 2026, https://reic.uwcc.wisc.edu/mutualinsurance/.

The Enterprise Reality: Understanding What's Actually Broken

Payment delays rarely stem from a single failure—they emerge from fragmented ownership, invisible costs, and processes no one fully controls.

The Fractured Payment Process

Claims payments don't belong to any single business unit—and that's precisely the problem. In a typical property and casualty (P&C) carrier, a claims payment touches multiple organizational boundaries:

- **The claims department** owns injury or damage assessment, coverage verification, liability determination, and settlement approval through tiered authority levels.
- **Finance/treasury** owns banking relationships, fund availability, and payment method infrastructure.
- **Accounting** owns general ledger posting, loss reserves, reconciliation, and 1099 reporting.
- **Operations/back office** owns check printing, postage, lockbox relationships, and exception handling.
- **Customer service** fields payment status inquiries, address changes, and complaint escalation.
- **Compliance/legal** departments ensure adherence to state prompt-payment regulations, OFAC screening, and mortgagee requirements.

This fragmentation reflects more than process inefficiency—it reveals a governance gap. Payments are one of the few enterprise functions that touch nearly every system, stakeholder, and regulatory obligation, yet they are rarely managed as a unified capability. Without clear ownership of the end-to-end payment experience, accountability diffuses across departments, making systemic delays feel inevitable rather than correctable.

Each department optimizes its own metrics. Claims is measured on loss ratio and cycle time to settlement. Finance is measured on cash management efficiency and banking costs. Operations is measured on cost per transaction and error rates. Customer Service is measured on call handle time and resolution rates. No single unit sees the full picture, and no single unit bears accountability for the end-to-end payment experience.

Industry practitioners widely acknowledge that claims payments touch multiple systems and departments between intake and resolution. With modern automation and workflow optimization, these touch points can be significantly reduced—but achieving that reduction requires visibility and coordination across organizational boundaries that most carriers have not yet established.

The same fragmentation applies to inbound premium collections. Across many carriers, billing and payment operations involve separate systems for policy management, billing statement generation, payment processing, reconciliation, and customer communication—each managed by different teams with narrow accountability for their respective operations. Carriers and MGAs that unify billing and payment operations on a coherent platform reduce handoffs, improve reconciliation accuracy, and gain a clearer view of payment conversion and policyholder engagement. The business case for a successful and strategically built integration is as strong on the premium side as it is in claims.

The Hidden Cost of Paper

The economics of paper-based payment processing are stark—but invisible to most stakeholders. According to a Bank of America study, the total cost of processing a single business check ranges from US$4 to US$20, including materials, labor, postage, reconciliation, and exception handling.[6] The Aberdeen Group calculated an average cost of US$7.78 per paper check.[7] Research from Bottomline Technologies found that processing a check costs a business 10 times more than processing an ACH transfer, and receiving a check costs five times more than receiving an ACH payment.[8]

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6 Kevin Villena, "Cost of Writing, Issuing, and Printing Paper Checks for Businesses," PostGrid, accessed May 13, 2026, https://www.postgrid.com/cost-of-sending-paper-checks-business/.

7 "Where You're Underestimating the Cost of Paying Invoices the Most," MineralTree, accessed May 4, 2026, https://www.mineraltree.com/wp-content/uploads/2020/05/MineralTree-Where-You-Underestimate-AP-Costs-Infographic.pdf.

8 "The Cost of Manual Accounts Payable," Bottomline Technologies, accessed May 4, 2026, https://www.bottomline.com/download_file/aaf904a7-dd1d-4db9-be3b-e5a256ba5ab0/1468.

By contrast, NACHA reports that ACH payments cost between US$0.11 and US$0.50 per transaction. Even at the high end of ACH costs and the low end of check costs, digital payments represent a 90% reduction in transaction expense (Table A).

Table A: Payment Method Cost Comparison

Payment method	Cost per transaction (in US$)	Source
Paper check	$4.00 to $20.00	Bank of America
Paper check (average)	$7.78	Aberdeen Group
ACH/Digital payment	$0.11 to $0.50	NACHA

Source: Datos Insights

Modern payment platforms such as InvoiceCloud enable carriers to execute this shift systematically—by migrating check volume to ACH and real-time rails while preserving the compliance workflows, mortgagee handling, and exception-management capabilities that insurance payment operations require.

These per-transaction figures, however, undercount the true cost. They typically exclude stop payments and reissuance when checks are lost or stolen, customer service calls asking "where's my check?," fraud losses (according to AFP's 2023 Payments Fraud and Control Survey, checks remain the most common target of payment fraud), uncashed check escheatment processing, and the indirect costs of extended litigation or regulatory penalties for slow claims payment.[9]

Fraud tied to payments extends beyond financial loss—it is a brand-destroying event. Social engineering and payment redirection schemes increasingly target claims moments when customers are emotionally vulnerable and less likely to question communications. When a legitimate claimant's payment is intercepted or delayed due to fraud investigation, the reputational damage travels fast on social media and erodes trust in ways that cost metrics cannot capture.

[9] "Payments Fraud and Control Survey Report: Key Highlights," J.P. Morgan and AFP Research, 2023, accessed May 4, 2026, www.jpmorgan.com/content/dam/jpmorgan/images/payments/afp-digital-payments-survey-2025/2025-afp-digital-payments-survey-report-ada.pdf.

These hidden costs compound during periods of disruption, such as catastrophe events or claims surges, when manual payment processes strain under volume and exception rates spike. What appears manageable in steady-state operations often fails under scale, exposing carriers to delays that ripple through customer satisfaction, agent relationships, and regulatory scrutiny.

The print-and-mail cost picture extends beyond claims disbursements. On the premium collection side, carriers and MGAs that continue to rely on paper billing statements, mailed invoices, and physical remittance processing carry a comparable structural cost burden. Each paper bill represents materials, postage, and handling; each paper payment introduces lockbox processing, deposit delay, and reconciliation overhead. The shift from paper billing to digital statements and digital payment options compounds the savings available from check elimination alone, creating a dual-sided modernization opportunity that progressive carriers are beginning to quantify more rigorously.

The Automation Opportunity

The potential for improvement is substantial. Accenture's research on claims automation found that automation can reduce claims handling time by up to 50% while improving processing accuracy by 30%. However, Accenture also found that up to 40% of claims professionals' time is currently spent on non-core administrative activities—representing an industry-wide efficiency loss the firm estimates at US$17 billion to US$32 billion annually.

The business case for modernization extends beyond direct cost savings. Given that the majority of an insurance company's costs flow through claims processes—encompassing both payments and the personnel supporting them—even modest efficiency gains yield significant absolute savings.

Automation gains are also available upstream of claims. Payment acceptance automation—encompassing electronic billing presentment, self-service payment portals, automated payment plan management, and real-time payment confirmation—reduces manual touchpoints in premium collection and accelerates cash flow. Carriers and MGAs that automate payment acceptance workflows report measurable reductions in staff time devoted to payment posting, exception handling, and customer inquiry resolution. The operational savings from inbound payment automation, while less visible than claims disbursement improvements, are frequently underestimated in total cost-of-ownership analyses.

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The Change Journey: Navigating Transformation

Technology is rarely the obstacle—organizational readiness is. Resistance to modernization is usually rational, human judgment remains essential, and change management determines whether investments pay off.

Why Resistance Is Rational

The case for payment modernization appears overwhelming on paper. Yet adoption remains slower than the data would suggest. BCG's Build for the Future 2024 Global Study found that only 7% of insurance companies had successfully scaled their AI systems, and about two-thirds of insurers were still in the piloting stage.[10] Understanding why requires acknowledging that resistance to change often reflects legitimate concerns rather than mere institutional inertia.

Claims payment touches every customer relationship at its most sensitive moment. A failed implementation doesn't just create operational disruption; it can damage customer relationships that took years to build. Champions who advocate for transformation risk career consequences if implementations fail. The "healthy fear" that characterizes cautious organizations often reflects a hard-won understanding of what's at stake.

Compliance concerns add another layer of legitimate caution. Insurance is among the most heavily regulated industries, with payment-related requirements varying by state, line of business, and payee type. Requirements for mortgagee inclusion on property claims, prompt-payment regulations with specific timelines, and multiparty authorization rules all create genuine complexity that must be navigated carefully.

Beyond compliance, fragmented payment processes create regulatory vulnerabilities that extend beyond prompt-pay timelines. When payment data resides across disconnected systems, carriers struggle to demonstrate consistent treatment, reconstruct audit trails, or respond efficiently to examination requests. As state insurance departments increasingly rely on data-driven oversight and complaint ratios tied to payment delays trigger market conduct exams, the ability to prove compliance becomes as important as achieving it.

[10] Joe Khoury, Daniel Martines, Christopher Freese, Jürgen Eckel, Malli Gupta, and Lara Najjar, "Insurance Leads in AI Adoption. Now It's Time to Scale.," Boston Consulting Group, September 4, 2025, accessed May 4, 2026, https://www.bcg.com/publications/2025/insurance-leads-ai-adoption-now-time-to-scale.

Modernization, in this context, is not merely about meeting obligations—it is about regulatory defensibility.

Human Oversight in an Automated World

Payment modernization does not mean eliminating human judgment—it means deploying human expertise where it adds the most value. Research consistently shows that the most effective claims operations combine automation for routine tasks with human oversight for complex decisions.

Human oversight remains essential at several critical points: coverage verification for ambiguous or unusual circumstances; liability determination or compensability involving multiple parties or contested facts; settlement authority approval through tiered organizational structures; fraud investigation when automated systems flag anomalies; parallel subrogation pursuits; and customer communication during emotionally charged situations.

The goal is not to remove humans from the process, but to ensure that when humans engage, they focus on judgment-intensive decisions and relationship management rather than administrative tasks. Simple, low-risk claims can flow through straight-through processing without human intervention. Complex claims receive human attention at decision points where expertise matters—with all relevant information preassembled, analyzed, and accessible.

Change Management as the Critical Success Factor

Technology implementation without organizational preparation guarantees under-performance. Accenture's research found that 74% of dissatisfied claimants switched carriers or considered doing so—yet only about 35% of claims executives reported that their organizations were advanced in their use of automation, AI, and analytics technologies. The gap between available capability and actual adoption often reflects failures in change management rather than technological limitations.

These are some of the common patterns in unsuccessful implementations:

- Launching digital payment options without preparing adjusters, who then default to familiar paper processes
- Assuming customer adoption without communication campaigns explaining new options and their benefits

- Neglecting vendor and agent ecosystem partners that interface with payment processes
- Building adoption metrics around technical go-live events rather than sustained utilization

In many organizations, the most damaging outcome is not visible failure but quiet non-adoption. When adjusters bypass digital options, when customers default to phone calls, or when paper remains the path of least resistance, modernization efforts technically succeed while strategically failing. In these cases, legacy processes persist beneath a veneer of progress, eroding trust and masking risk until customer dissatisfaction or regulatory attention surfaces.

Successful transformation requires treating change management as equally important as technical implementation. This means beginning stakeholder communication before technology selection, planning for ecosystemwide change across adjusters, agents, vendors, and customers, and measuring success by adoption rates rather than deployment dates.

Adoption is also influenced by the quality of the payment experience itself. Platforms that deliver clear, intuitive payment flows—supported by timely, relevant communications across preferred channels—consistently achieve higher digital payment adoption than those that treat the customer-facing experience as secondary to backend processing. This principle applies equally to claims disbursements and premium collections: a well-designed digital billing and payment experience, with proactive notifications and straightforward self-service options, materially reduces the friction that causes policyholders and agents to abandon digital channels in favor of paper or phone. Carriers evaluating payment modernization partners should assess not just technical integration capabilities, but the vendor's track record of driving measurable adoption and engagement at scale.

The Future-Ready Platform: Emerging Imperatives

Customer expectations have already shifted—the question is whether carrier capabilities will keep pace. Modern payment platforms must deliver real-time speed, resilience during catastrophes, recipient choice, and digital experiences that reinforce brand promise.

Real-Time Payments as Table Stakes

What was recently a competitive differentiator is rapidly becoming mandatory. The Federal Reserve's payment studies show that paper check usage declined by 7.2%, while debit and credit card payments increased by 8.9%.[11] Real-time payment networks—including The Clearing House's RTP network and the Federal Reserve's FedNow service—now enable near-instantaneous 24/7/365 fund transfers.

Citi reports that the RTP network now processes as many as 1.5 million transactions daily, averaging US$2.5 billion in daily value, with records reaching US$4 billion. The network recently raised its transaction limit from US$1 million to US$10 million, making instant payments viable for high-value corporate payouts, including complex insurance claims.

Generational expectations are accelerating this shift. Policyholders conditioned by instant transfers in other contexts view multiday payment processing as outdated. Younger agents increasingly expect immediate compensation upon binding a policy—not the traditional two-week or monthly payment cycles.

Catastrophe Response as a Stress Test

Catastrophic events expose payment systems as resilience infrastructure—not merely operational tools. When physical mail delivery is disrupted, call volume surges and claims volume spikes simultaneously, leaving legacy payment processes unable to scale. In these moments, payment delays quickly become visible symbols of institutional failure, attracting regulatory, political, and media scrutiny. As climate-driven catastrophes increase in frequency and severity, carriers' ability to reliably deliver payments during surge conditions is becoming a defining measure of preparedness.

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[11] "Federal Reserve Payments Study," Board of Governors of the Federal Reserve System, November 13, 2024, accessed May 4, 2026, https://www.federalreserve.gov/paymentsystems/2023-April-The-Federal-Reserve-Payments-Study.htm.

Platform scalability and operational resilience are therefore not abstract architectural goals—they are measurable business requirements. Carriers and MGAs evaluating payment modernization partners should assess how a prospective platform performs under volume stress: whether transaction throughput degrades during surge events, whether customer-facing payment portals remain available during high-demand periods, and whether exception-handling workflows can absorb elevated volume without manual intervention. The distinction between platforms engineered for scale and those adapted from smaller-volume origins becomes consequential precisely when it matters most.

Payment Choice and Recipient Preference

One payment method does not fit all recipients. Different stakeholders have different needs:

- Displaced policyholders may lack access to a physical mailbox, making paper checks impractical.
- Some claim payment recipients are "unbanked," making traditional check payments problematic to cash, especially when there is urgency. Digital via ACH isn't even an option.
- Repair contractors prefer payment methods that they can immediately convert to materials purchases.
- Medical providers may have established electronic payment preferences aligned with their billing systems.
- Multiparty claims involving lienholders, mortgagees, or attorneys require specialized authorization workflows.

Payment choice also carries implications for financial inclusion and consumer protection. Recipients facing displacement, limited banking access, or urgent financial need are disproportionately affected by inflexible or delayed payment methods. As regulators and consumer advocates place greater emphasis on equitable treatment, the ability to meet recipients where they are becomes not just a service consideration but a component of reputational and regulatory risk management.

Modern payment platforms must accommodate this diversity, offering ACH direct deposit, real-time payments, virtual cards, and mobile wallets—and yes, paper checks for those who still prefer them—while making digital options the default rather than the exception.

Digital Experience as Brand

Every payment touch point represents the carrier's brand without direct human mediation. When a claimant receives a payment notification, views their disbursement options, and tracks their funds, they're experiencing the carrier's digital presence at a moment of heightened emotional engagement.

This reality creates both opportunity and risk. Carriers that deliver seamless, transparent, and rapid payment experiences reinforce brand promise at the moment that matters most. Carriers whose payment processes feel fragmented, opaque, or slow undermine years of relationship-building precisely when customers are paying attention.

Accenture's research found that more than half of insurance customers prefer to engage with their chosen brands through digital channels, while 30% would switch providers if they were unsatisfied with their experience. Additionally, 20% would not complete an online transaction if their preferred payment method is unavailable. The payment experience is no longer a back-office function—it's a brand expression.

Payment providers with cross-industry payments expertise bring a broader lens to this challenge. Experience delivering digital billing and payment experiences across utilities, healthcare, and financial services—industries defined by high-volume, consumer-facing payment demands in regulated environments—produces more refined experience design, higher-performing communication templates, and more sophisticated policyholder engagement strategies than capability built in insurance alone. Carriers evaluating platform partners should weigh the depth of real-world deployment experience a vendor brings, not just the breadth of its feature set. Operational insights gained from millions of transactions in demanding consumer contexts translate directly into better implementation outcomes in insurance.

The Path Forward: Recommendations

Modernization requires action across roles—from building the business case to evaluating partners to leading implementation. This section offers concrete guidance for each.

For champions building the business case:

- **Map the true end-to-end payment process across organizational boundaries.** Assemble representatives from Claims, Finance, Operations, Customer Service, and IT to document every touch point, handoff, and cost center. The resulting visibility often reveals inefficiencies that no single department could identify on its own.

- **Quantify the hidden costs each department can't see individually.** This includes not only direct transaction costs but also customer service call volume, stop payments and reissuance, fraud losses, and the opportunity cost of staff time consumed by manual processing.

- **Frame modernization as risk mitigation, not just efficiency gain.** The US$170 billion in premiums at risk due to poor claims experience represents a strategic threat that transcends operational cost savings.

- **Expand cost modeling to include premium collection operations.** It includes the full cost of paper billing and paper payment acceptance in the business case, not just claims disbursement costs. The dual-sided savings from eliminating paper across both inbound and outbound payment flows, when modeled together, produce a more compelling ROI than a claims-only analysis.

For executives evaluating investment:

- **Assess current real-time payment capabilities against emerging table stakes.** Carriers that cannot offer instant payment options will increasingly be at a competitive disadvantage as customer expectations shift.

- **Evaluate platform scalability for both inbound and outbound expansion.** Customer expectations don't differentiate between billing and claims; implementing one side shouldn't require starting over on the other.

- **Prioritize partners with demonstrated implementation experience and change management support.** Technology capability matters less than the ability to navigate organizational transformation.

- **Require adoption benchmarks, not just deployment commitments.** Assess payment adoption outcomes—digital payment rates, autopay enrollment, paper reduction—not just go-live velocity. A modernization investment that produces a deployed system with low adoption has not achieved its financial objectives.

For implementation leaders:

- **Begin stakeholder communication before technology selection.** Adjusters, agents, and vendors who feel included in transformation planning become advocates rather than obstacles.

- **Plan for ecosystemwide change.** Payment modernization affects not just internal staff but the entire network of agents, vendors, contractors, and customers who interact with payment processes.

- **Build adoption metrics into success criteria alongside technical go-live dates.** A deployed system that adjusters circumvent is not a successful implementation.

- **Invest in payment experience design as part of the implementation journey, not after.** Work with platform partners to design the customer-facing payment experience with the same rigor applied to technical integration. Payment portal design, notification content, channel sequencing, and self-service options all influence whether digital payment options get used. Experience design is a lever for change management, not a cosmetic concern.

Conclusion

The displaced homeowner waiting for funds to begin repairs, the injured worker whose income has stopped, and the agent whose livelihood depends on policies remaining in force: Payment modernization isn't a technology initiative—it's the operational backbone of the promise every carrier makes.

Ultimately, payment modernization is not about adopting the latest rails or tools. It's about ensuring that operational capability aligns with the promise insurance makes at its most consequential moment. When payment delivery is slow, opaque, or inconsistent, it signals more than inefficiency—it reveals a disconnect between institutional intent and customer impact. Best practices, therefore, require insurers to view the payments journey holistically, across functions, systems, and stakeholder touch points, rather than as a series of isolated transactions. Successful payment orchestration depends on disciplined change management and sustained, cross-functional alignment across the enterprise, so the delivery of funds consistently reinforces trust, stability, and confidence when customers need it most.

The data is unambiguous: customers expect payment in days, not weeks. They leave carriers that fail to deliver. The costs of paper-based processes are multiples of digital alternatives. And technology to do better exists today.

The question isn't whether to modernize. The question is whether carriers will lead the transformation or be compelled by it—and whether, in the process, they'll keep sight of the people waiting for the payment that changes everything.

Methodology

This report synthesizes published research from industry sources, including J.D. Power, Accenture, Bain & Company, BCG, McKinsey & Company, the Federal Reserve, NAMIC, and the Association for Financial Professionals, supplemented by Datos Insights' ongoing advisory work with P&C carriers and payment technology providers. Findings reflect the author's direct experience with insurance technology strategy and operations, informed by conversations with Datos Insights clients and council members. Where industry benchmarks are cited, original sources are noted; certain widely referenced cost figures derive from proprietary research not publicly available.

About InvoiceCloud

InvoiceCloud provides modern digital payment, customer engagement, and outbound disbursement solutions for more than 3,250 organizations across insurance, utilities, and government. In insurance, that means managing the full payment spectrum – from premium collections to claims disbursements, agent commissions, refunds, and vendor payouts – on a single platform purpose-built for the complexity carriers face.

Whether a policyholder is filing a property claim after a catastrophe or setting up autopay on a new policy, every transaction is a chance to reinforce trust. InvoiceCloud's SaaS platform drives the digital adoption rates, payment completion, and operational efficiency that make the difference – with the implementation experience and change management support to ensure those outcomes stick.

With InvoiceCloud, you build lasting policyholder relationships through:

- Personalized, omnichannel engagement tools
- Intuitive self-service payment options
- Co-created adoption programs
- Implementation support focused on utilization, not just go-live

When Payments Matter Most, Insurance Carriers Choose InvoiceCloud.

To learn more, visit invoicecloud.com.

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